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March 4, 2013

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

**Re: WC Docket No. 10-90
WC Docket No. 05-337
Notice of *Ex Parte* Presentation**

Dear Ms. Dortch:

On February 28, 2013, David Shipley of South Park, L.L.C. dba South Park Telephone Company ("South Park"), Lynn Schwartz and Jovanka Mersman of Signal Telcom Partners, Douglas Meredith of John Staurulakis, Inc., Michael Romano of National Telecommunications Cooperative Association, and Derrick Owens of the Western Telecommunications Alliance (collectively, "South Park representatives") met separately with Angela Kronenberg, Wireline Legal Advisor to Commissioner Clyburn, with Nicholas Degani, Wireline Legal Advisor to Commissioner Pai, with Priscilla Argeris, Wireline Legal Advisor to Commissioner Rosenworcel, and with Christine Kurth, Policy Director and Wireline Counsel to Commissioner McDowell. Also on February 28, the South Park representatives were joined by Cassandra Heyne of John Staurulakis, Inc. in meeting with Joseph Cavendar, Joseph Sorresso, Dania Ayoubi, and Travis Litman of the Wireline Competition Bureau. The subject of discussion was South Park's pending Petition for Waiver of two high-cost universal service rules: 1) waiver of Section 54.302 limit on high-cost support of \$250 per line per month and 2) waiver of the rule limiting capital and operating costs reimbursable through high cost loop support.¹

Mr. Shipley described South Park's history and the extraordinary challenges the company faces to deliver voice and broadband service in rural Park County, Colorado. South Park's service area is over 600 square miles of rugged terrain with a customer density of only 0.28 lines per square mile. South Park was founded to provide telecommunications service in a region where no other company was willing to invest. Since its inception, the company has continually invested in and deployed innovative technology to meet changing customer demands. As buried plant is not a financially viable or physically practical option in South Park's service area, the company has deployed fixed wireless to the customer premise. In

¹ South Park, L.L.C. d/b/a South Park Telephone Company Petition for Waiver, WC Docket Nos. 10-90 and 05-337 (filed November 27, 2013) ("Petition").

Ms. Marlene Dortch

March 4, 2013

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addition to residential customers, South Park provides service to community anchor institutions, local businesses, and also leases tower space to a variety of entities that provide critical services including other service providers.

Mr. Shipley and Mr. Meredith presented maps and images of South Park's service area to illustrate the distance and scale of the region, the terrain, the extremely rural customer locations, and the technology used by the company. Additionally, they presented letters of support written by customers and members of the community. Attached is summary material which was provided to meeting participants.

Please contact the undersigned with any questions.

Respectfully submitted,

/s/ Douglas Meredith

Douglas Meredith
Director - Economics and Policy

cc: Angela Kronenberg
Nicholas Degani
Priscilla Argeris
Christine Kurth
Joseph Cavendar
Joseph Sorresso
Dania Ayoubi
Travis Litman

Attachments

South Park Telephone Company USF Waiver

Thursday, February 28, 2013

ex parte Presentation to the Federal Communications
Commission



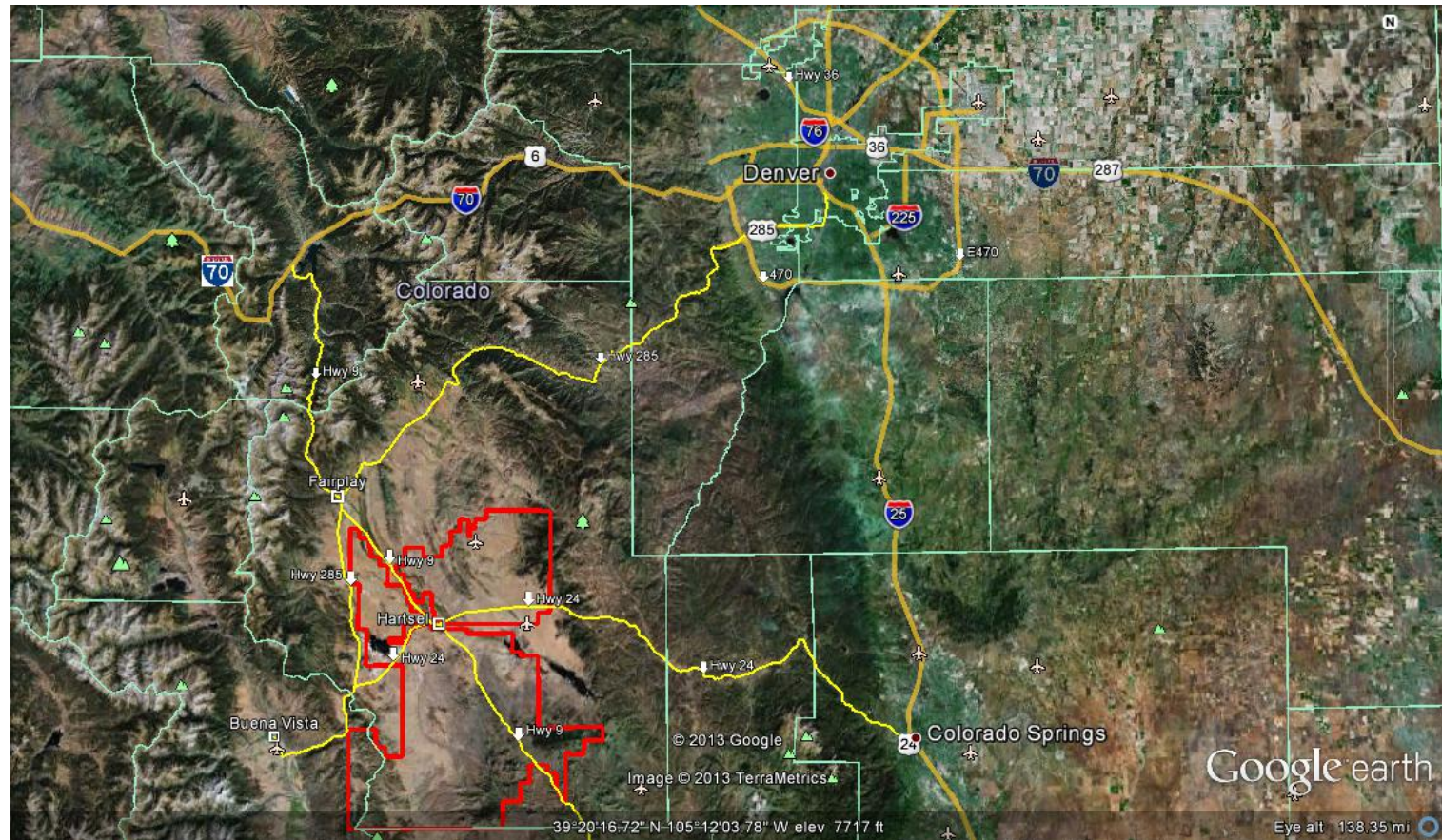
Presented by:
David Shipley, South Park Telephone Co.
Douglas Meredith, John Staurulakis, Inc.



- Founded in 1996
- South Park Valley had no service for decades
- 603 square miles and 10,000 feet above sea level
- No towns in the service area
- Cable and wire not cost effective
- SPT depends on federal USF to maintain operations in this rugged, challenging environment

Company Overview

Mission: *Knowing that the power of our technology will revolutionize the communities we serve, each person at SPT is responsible for obtaining, maintaining and expanding our services for the benefit of our customers.*



SPT Service Area in Colorado

- SPT shares many similar characteristics with Allband and Accipiter, the only other companies granted USF waivers to date
- SPT requests the FCC exercise **consistency** in granting USF waivers

| Company | Year | Access Lines | Square Miles | Density | Waiver |
|-----------|------|--------------|--------------|------------------------|-------------------|
| Accipiter | 1997 | 935 | 1010 | --- | \$250 cap and QRA |
| Allband | 2003 | 174 | 177 | 1.09 lines per sq. mi. | \$250 cap |
| SPT | 1996 | 166 | 603 | 0.28 lines per sq. mi. | \$250 cap and QRA |

Waiver Recipient Characteristics



SPT needs predictable and sufficient high-cost support or it will not be able to continue serving its extremely remote customers

The proposed Remote Areas Fund is too uncertain and the rules aren't nearly finalized

SPT cannot continue providing service without sufficient operating expense recovery

SPT's Area is Extremely Remote

- SPT has already reduced per-line employee expenses nearly \$200
- Only 1 full time employee—the staff cannot be reduced further without losing critical functionality
- Extremely challenging to increase revenue in an area with so few businesses or residents, especially when investment in new technology is on hold due to cost cutting

SPT is Focused on Cost Reduction



- STP is “clipped” by the Quantile Regression Analysis (QRA) methodology
- SPT supports the Rural Associations’ recommendations for improving QRA:
 - Fully vet model structure prior to use.
 - Apply QRA limits prospectively
 - Enable carriers to plan for future

SPT Supports Changes to QRA

- SPT hopes to achieve 4/1 Mbps soon
- SPT has always sought out innovative technology appropriate for its financial constraints and geographic challenges
- Economic well-being of community:
 - Anchor institutions: schools, libraries, public safety
 - Enable distance learning, telemedicine, home businesses
- Granting the waiver is in the public interest

SPT Advances the Goals of USF



Combination of fixed wireless and wireline

- Motorola Canopy
- 2.4 GHz, 900 MHz, 3.5 GHz
- Solar power platform
- CO and 4 remote tower sites
- Fiber from Hartsel to Fairplay
- Multiple upgrades over 15 years
- SPTC cannot upgrade to 4/1 Mbps without sufficient and predictable support

Efficient and Innovative Technology

- **Local businesses:**
 - SPT Internet service “has aided us in being more efficient”
 - “...not only a great convenience, but also a necessity”
 - “Truly a community caring company!”
 - “We cannot function without it”
 - “SPT has been the first company in our mountain region that can keep up with our demand”
- **Anchor institutions:**
 - “SPT has become a great asset to the area”
 - “Any expansion would be helpful to our very rural community”
- No opposing comments and strong support from state and national associations filed in the FCC comment cycle

Local Institutions Support SPT



No other wireless or wireline carrier covers the entirety of SPT's service area.

SPT's service area is not a competitive marketplace due to terrain, weather, low population.

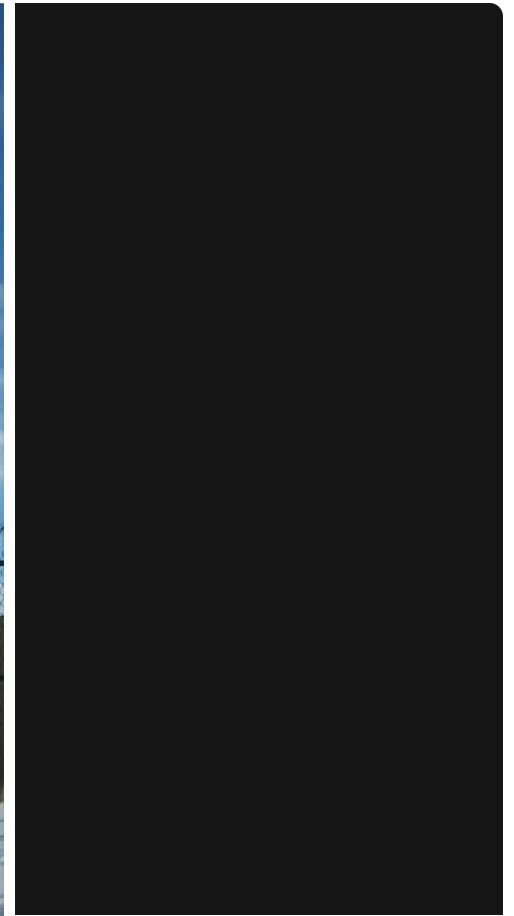
Satellite is not a viable alternative.

Without SPT, customers will lose all communications including emergency services.

No Terrestrial Alternatives for Communications

- The reduction in support will destroy STP's financial viability
 - Operating expenses are a tremendous challenge, especially construction and maintenance costs
- Customers will lose all voice and broadband service
 - Agencies, anchor institutions and emergency services
 - Additionally, voice service rates would become unreasonably high (\$236 per month)
- Granting a waiver is in the public interest and will not undermine the goals of USF
- SPT is prudent with its costs and continually looking for ways to operate more efficiently and increase revenue
- ***SPT has no viable alternatives to recover lost USF!***

SPT Meets the Waiver Standard

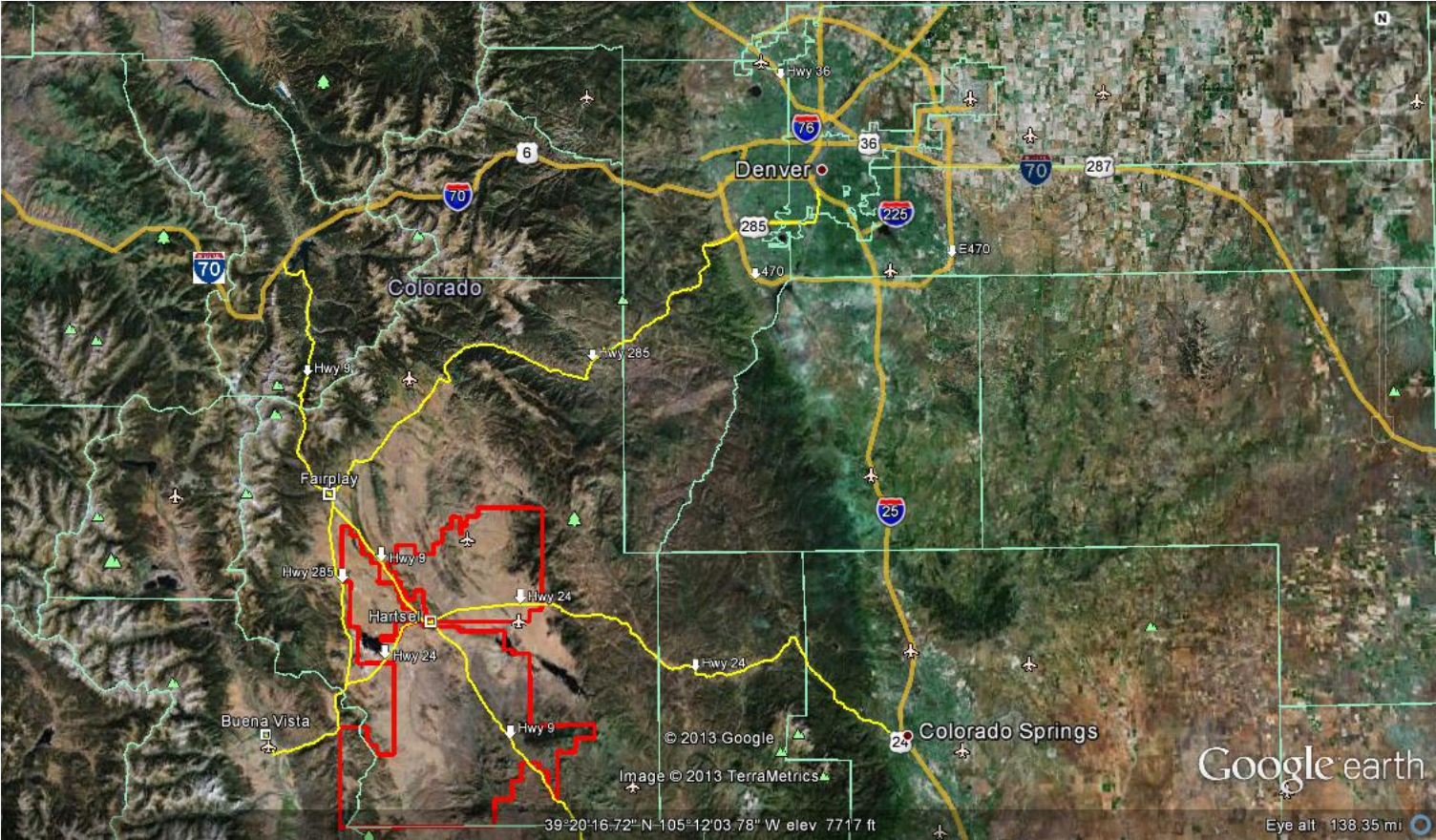


Thank You

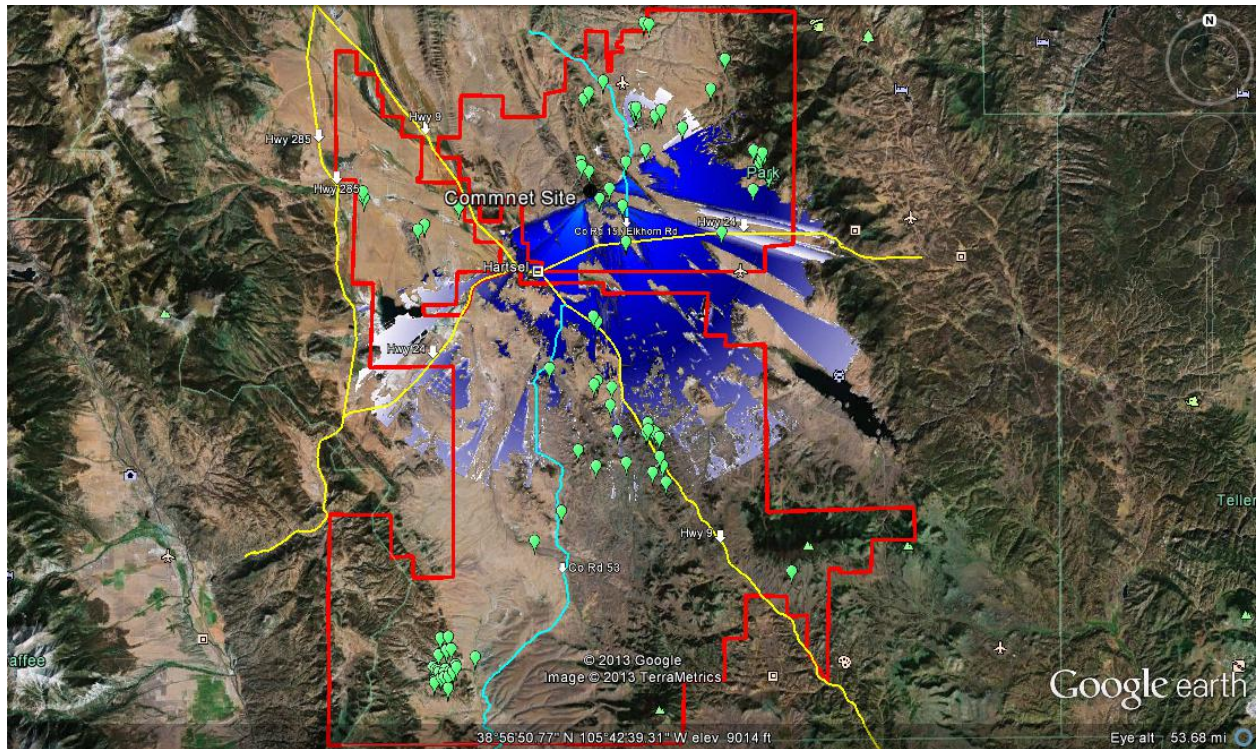


II. South Park Service Area Maps

South Park Telephone Company Service Area



Cellular Coverage and Subscriber Clusters





III. Letters of Support and Images of SPT's Community, Anchor Institutions, and Technology



HARTSEL FIRE PROTECTION DISTRICT

P.O BOX 10
HARTSEL CO. 80449
719-836-3500
www.hartselfire.org

February 19, 2013

To Whom It May Concern,

In regards to South Park Telephone and their services to the community. South Park Telephone has become a great asset to the area they serve which encompasses a large portion of the Hartsel Fire Protection District. They have created high speed internet service and 911 capabilities to homes in areas that were previously not serviced by any telecommunication service. They provide excellent and efficient service to their customers.

Since South Park Telephone's inception it has been servicing the homes and businesses in this area above and beyond expectation. We are willing to do whatever we can to assist them in achieving their future plans and feel their expansion would greatly benefit this area and others by bringing the residents of this area into the 21st century and out of the 19th century.

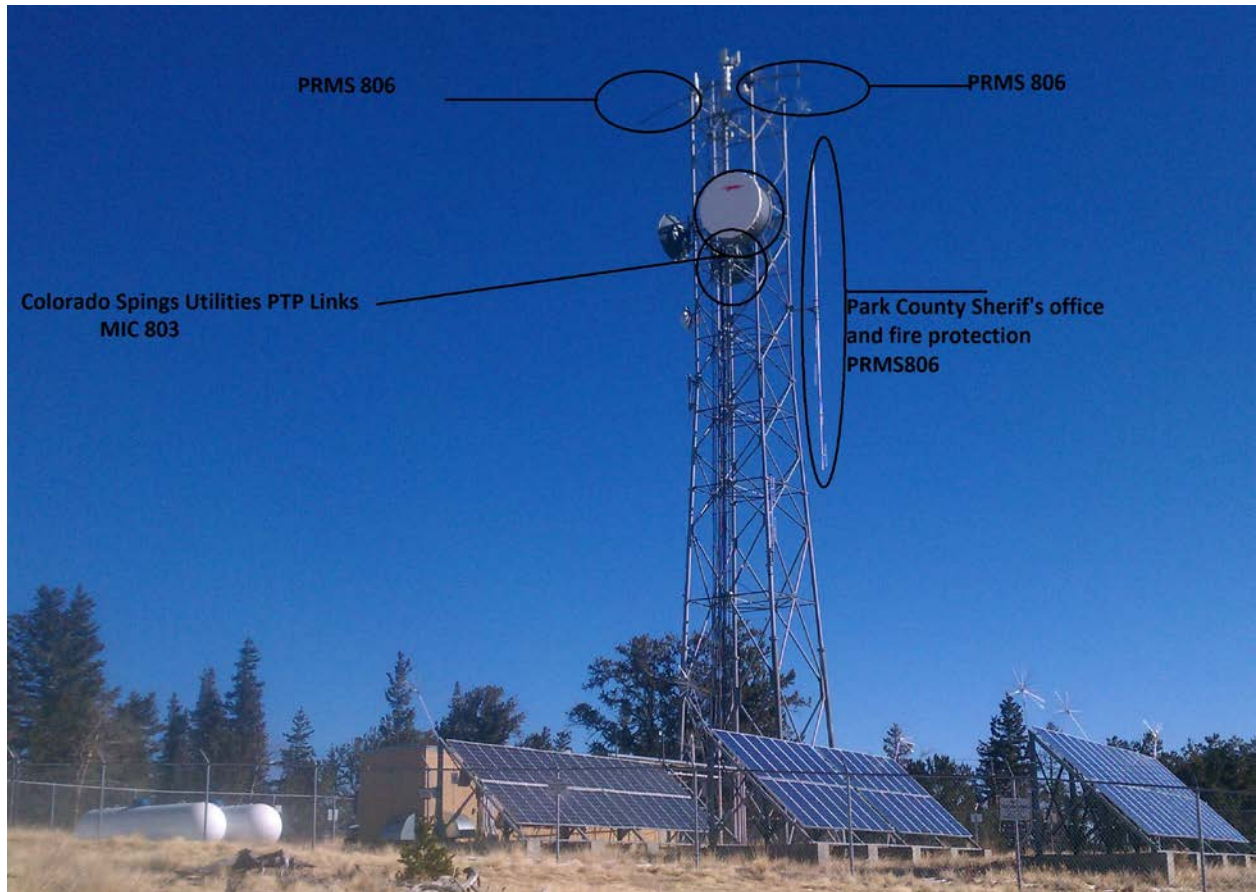
Chief, Jay Hutcheson
Hartsel Fire Protection District

Hartsel Fire Department and Library



Dick's Peak Tower Site

Supports Critical Emergency Services



Eagles Nest Tower Site

Mission-critical Federal Aviation Administration Monitoring and Communications





February 14, 2013

To Whom This May Concern:

This letter is in support of the South Park Telephone Company in its efforts to improve its services to the residents and businesses of South Park. South Park is an expanse of land the size of Delaware and our residents are separated by mountains and hills, making telecommunication very difficult and impossible in many areas. South Park Telephone has been working with the residents, municipalities, agencies and businesses to provide improved services to our population. South Park is a safer place to live because of their efforts to make communication with emergency services possible.

Five years ago, our community met with the Colorado Economic Council to identify steps to improve the economic climate of our community. One of the identified concerns was inadequate internet and telephone access. South Park Telephone answered many of those concerns. They have worked to provide services to residents in hard to reach locations and they have provided high speed internet which has allowed South Park businesses to more adequately market themselves. This is an expensive endeavor, given the mountainous terrain of our area, but they have persevered nonetheless.

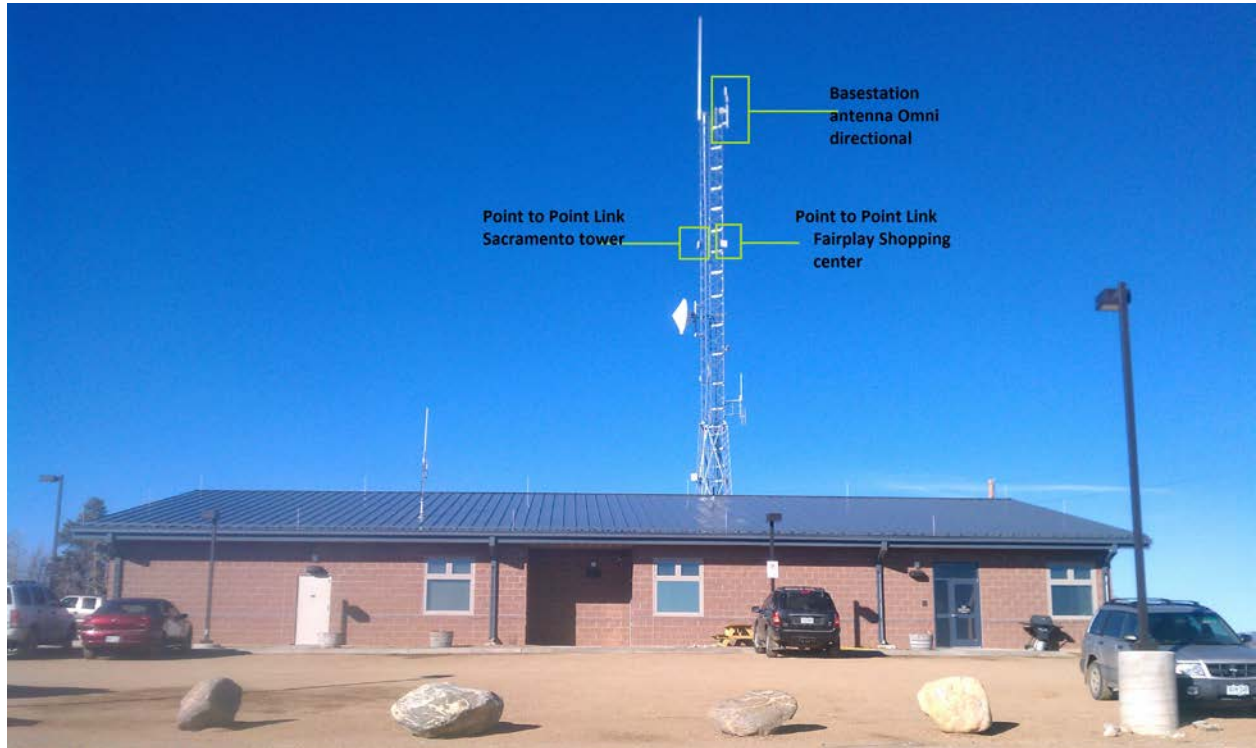
Given our small community, it is very important for all of our businesses to involve themselves in the affairs and struggles of the community through volunteerism and providing financial support. South Park Telephone has been instrumental in helping many local agencies accomplish their goals through generous financial assistance and participation in community events and affairs.

South Park Telephone is truly a community caring company! We would appreciate any support you would extend to this excellent company. We know they will continue to support the people of South Park and we truly consider them a hometown business.

Thank you for your consideration,

Ernie Dumas, President
South Park Chamber of Commerce

SPT Utilizes a Tower at the Park County Communications Center





February 14, 2013

To Whom This May Concern:

This letter is in support of the South Park Telephone Company in its efforts to improve its services to the residents and businesses of South Park.

South Park Telephone Company is the internet provider for the Fairplay Library. We have many people who cannot get internet service at their homes or can only get dial-up service. The library is the place they turn to for their internet needs.

South Park Telephone Company has provided us with the fastest service available in this area. Their excellent service to us allows us to provide excellent service to our patrons.

It would be a great boon to our community if South Park Telephone Company were able to expand their service. As library director for all of Park County I would love to see them expand into the other areas of Park County. Any expansion would be a helpful to our very rural community.

We would appreciate any support you would extend to this excellent company. We know they will continue to support the people of Park County.

Thank you for your consideration,

Sincerely,

Patricia J. Chapman

Park County Public Libraries, P.O. Box 592, Fairplay, CO 80440
719-836-4299/ Fax: 719-836-0863/ Email: pchapman@parkco.us



To Whom It May Concern;

The Campground of the Rockies (CORA) is a site owned RV Park located in South Park Colorado. The campground has 550 owned sites in four different campground areas. Owners are located in many states around the country and use their sites for a variety of reasons. Some retired owners spent the entire summer at CORA. Many owners spend weekends and holidays at their site.

Keeping in touch with friends and family, while spending time at Campground of the Rockies, has been difficult historically. Whether using a cell phone, or trying to get to email over the Internet from the office library phone (dialup), has been spotty at best.

About eight years ago, a satellite link was installed at the office to allow for Internet access (wifi) in the office/clubhouse. Over time, this setup was expanded to allow, at least within the main campground, access to the Internet from individual sites. As usage grew, problems began to grow with traffic exceeding the system's capacity. Frustration over the system's performance and access grew over time.

In 2009, a Technical Committee was formed to evaluate the existing system to determine if alternatives existed to improve Internet service. The mandate was to fix the problem, expand the service, and do this with the existing budget dollars. The goal was to provide a free and functional access to the Internet for the entire park.

As it turned out, two opportunities presented themselves to this committee. First, a local Internet provider, located in Hartsel, South Park Telephone (SPT), could provide Internet access without maximum daily usage restrictions. Secondly, one of the committee members had recently been involved with the installation of a "meshed-based" wifi system at an RV park in Texas. After doing some research, a lower cost hardware provider was identified and a small three-node network was installed in using the SPT broadband internet service. This equipment/service worked so well that it was rapidly expanded and was the beginning of CORANET, the name given the service.

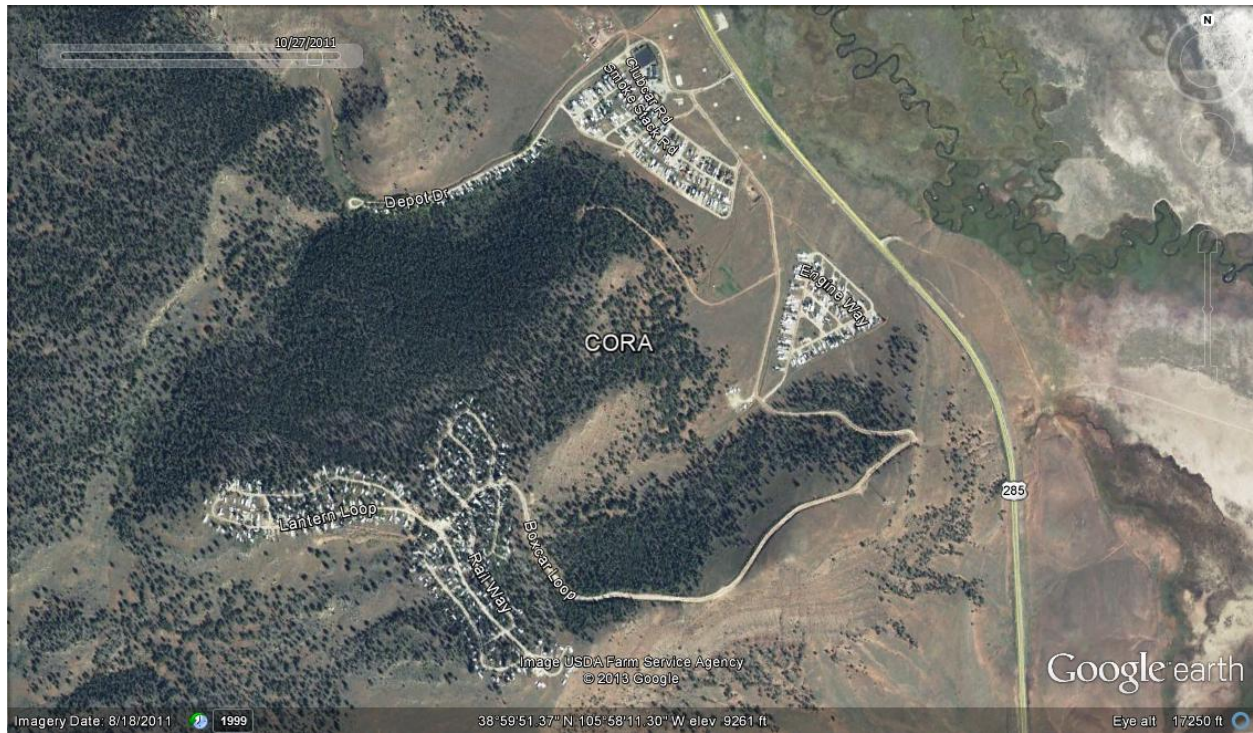
In 2010, the system, which worked flawlessly through the winter months, was expanded up the canyon in RGS. During the summer months, CORANET service was expanded

Since 2011, we have expanded the service to provide higher speed service by adding new technology and additional access points from SPT. We now have five access points and will probably request additional bandwidth.

Bottom line is that SPT is providing a critical service to many site owners who demand stable and accessible Internet service. It used to be a luxury; it is now the lifeblood. Owners can now come and spend time away from home and still be able to conduct their lives as if they were home, thanks to the availability of the Internet-Thanks SPT!

Technology Committee

The Campground of the Rockies (CORA)



To Whom this may concern.

My name is Derek Kopunec and I am the owner of A Riverside Inn Hotel in Fairplay, Colorado. We have been Internet customers of South Park Telephone since 2011.

The High Speed Internet that SPT provides our hotel and guests is not only a great convenience, but also a necessity.

Our guests, employees, and myself included use the internet on a daily basis 24 hours a day, seven days a week. In this day and age it is crucial in running a business, and communicating with others. Our business, and others in the community, including government organizations (schools, county buildings, courts), and individuals rely on the internet for day to day operations. Our hotel initiates transactions, sends emails, makes reservations, and many other important tasks.

Prior to South Park Telephone our internet was extremely slow and unreliable. Many people simply gave up on trying to use it.

Today, internet use has taken over the standard hard lined telephones, televisions, and many other tasks from mapping to finding weather forecasts, sending notes, etc.

This use will continue to grow in the future, as more people come online, and expand their use with smartphones, smart televisions, computers, cars, etc.

I believe that smaller Rural communities such as Fairplay, Colorado should have the same access to Information as others in Metropolitan communities, and a company such as SPT can help make this happen.

Sincerely,

Derek - A Riverside Inn Hotel

249 Highway 285, PO Box 1387

Fairplay, Colorado 80440

719-836-0600 main



www.RiversideFairplay.com

719-836-0910 fax



To Whom It May Concern,

I am writing to express my sincere gratitude and to support the members of South Park Telephone in bringing reliable internet/phone to our community. Prior to South Park Telephone, it was common to experience extremely slow internet speeds. They have brought a new level of professionalism to our community and personally to our business. Because we deal with them frequently, I can attest to their speed in dealing with issues.

With an influx of new customers, they have been progressive in keeping the internet speeds up. Being that we have a True Value Hardware store, our internet speed is crucial in conducting business. All aspects of our day to day dealings are internet based. We rely on it to pay bills, take credit card payments from customers, order products, etc. We cannot function without it. South Park Telephone has been the first company in our mountain region that can keep up with our demand.

It is also important to note that many people who choose to live in our community do so because they “choose” to live here. We are located twenty minutes from Breckenridge Ski Area and it is a lifestyle most of us moved here to enjoy. There are hundreds of individuals who work from home via the internet and phone. It is crucial to have the fastest speeds available. Because we are in the heart of the Rocky Mountains we also depend on tourism to support us. Tourists who come to our area do not want to be disconnected from the “Rest of the World”. They want to be able to do work and have the same conveniences in their “home away from home”. South Park Telephone is making this easier than ever before.

Many companies of the past have been great in the start-up however, when the internet/phone demand increased, they did not seem concerned about the speeds. South Park Telephone has exceeded our needs in this area. They work very hard to keep up with the local demand. We may be a small community, but that does not mean we do not need the same services afforded to cities and less rural areas. My hope now is for support from State and Federal Legislators in allowing South Park Telephone to keep up with the demand of our mountain community.

Jodi E. Messa

Owner - South Park True Value

299 US Hwy. 285

Fairplay, CO 80440

southparktruevalue@gmail.com

February 15, 2013

The Business Connection
Freelance Foundations, Inc.
1150 Castello Ave.
POB 1910
Fairplay, CO 80440

I have 2 businesses in the town of Fairplay. The Business Connection is basically for the community. We offer internet service, email, shipping, we have large files sent to us for printing on our large format copier.

I have valued having South Park Telephone internet service; it has helped to improve our service for our customers and our work production. It has been the most reliable service that we have had here in Fairplay.

With it being affordable and reliable internet connection on my businesses and has aided us in being more efficient by being able to communicate with current and prospective customers and clients in a timely manner.

I am a very community oriented person and am proud to be able to serve my community in a more productive manner.

Thank you,
Pat Stoinski
719 836 0230